

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By **CHAIRMAN BILL BOHARSKI**, on February 19, 1993,
at 3:00 p.m.

ROLL CALL

Members Present:

Rep. Bill Boharski, Chairman (R)
Rep. Bruce Simon, Vice Chairman (R)
Rep. Stella Jean Hansen, Vice Chairman (D)
Rep. Beverly Barnhart (D)
Rep. Ellen Bergman (R)
Rep. John Bohlinger (R)
Rep. Tim Dowell (D)
Rep. Duane Grimes (R)
Rep. Brad Molnar (R)
Rep. Sheila Rice (D)
Rep. Angela Russell (D)
Rep. Liz Smith (R)
Rep. Carolyn Squires (D)
Rep. Bill Strizich (D)

Members Excused: Rep. Tom Nelson, Rep. Tim Sayles

Members Absent:

Staff Present: David Niss, Legislative Council
Alyce Rice, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 636
Executive Action: HB 636, HB 623, HB 619, HB 614, HJR 19

HEARING ON HB 636

Opening Statement by Sponsor:

REP. BOB PAVLOVICH, House District 70, Butte, said HB 636 is a bill prohibiting health care providers from refusing to accept Medicare assignments.

Proponents' Testimony:

Clyde Dailey, Executive Director, Montana Senior Citizens Association, said the association carried this legislation for three sessions and it has been controversial every session. Originally the association carried the legislation because physicians were going to get paid 100% of their charge. For instance, on a \$100 charge, Medicare would pay \$80 and the patient would have to pay \$20. The balance billing was extremely detrimental to senior citizens. The 1989 Physicians Payment Reform capped what could be charged for certain procedures on a sliding scale. Nobody seems to know if this reform has been successful. HB 636 is a good bill.

Opponents' Testimony:

Jerry Loendorf, Montana Medical Association, said Medicare was enacted in 1965 and applies to all persons over 65 years of age. Assume that a physician bills a patient \$100, Medicare approves \$70 of that amount for payment, and the physician accepts assignment. Medicare would pay \$56 of the \$70, and the physician would bill the patient for the remaining \$14. If the physician did not accept assignment, he could bill the patient for the entire \$100, but Medicare would send the \$56 to the patient. In 1984 congress started a program where a physician could agree to accept assignment for every Medicare patient. If the physician didn't want to accept assignment, he could continue to bill the full amount, but his fees were frozen at the 1984 level. In 1987 the freeze was discontinued and replaced with limited charges. During that time, a nonparticipating physician could increase his fees from one to three percent. The participating physician received whatever Medicare approved. In 1990 the nonparticipating physician's fee was limited to the approved amount plus 25%; the next year it was reduced to 20%, and in 1993 it was reduced to 15% of that amount. A nonparticipating physician receives considerably less from a Medicare patient than he does from other patients. The participating physicians continue to receive the assigned amount. Forty-eight percent of Montana physicians are participating in the Medicare program, and fifty-eight percent of all claims have been accepted for assignment. The Montana Senior Citizens Association has a program that allows citizens to obtain a Montshare card that advises the Montana Medical Association that the card holder's income is less than 200% of the poverty level. Proof is not required. The physician will accept Medicare assignment when the card is presented to him. There are now 10,400 senior citizens in the program. The card has never been rejected. Wealthy people that can afford to pay should not be subsidized.

When a physician raises his fees, it doesn't apply to the Medicare and Medicaid population; it applies to the patients not qualified to receive either Medicare or Medicaid. The federal government collects an equal amount from every citizen for Medicare. When the money goes back to the states, it is not divided equally. For example, a couple in Arizona bought airline tickets, flew to Kalispell, received medical treatment, and flew

back to Arizona. The entire cost of the trip, including medical treatment, was less than if they had received medical treatment in Arizona. In the past, there hasn't been proof that this bill is merited, and there isn't now. Neither **Senator Baucus** nor **Governor Stephens** recommended this legislation in their health reform programs.

Dr. Jack McMahon, Legislative Chairman, Montana Medical Association (MMA), said anyone in Montana can contact the Montana Medical Association and get a Montshare card. To the MMA's knowledge, no physician in Montana has ever refused to honor that card. There has been a major change in the Medicare program in the last year. He said as a surgeon, his income from Medicare is down between twenty-five and thirty percent for surgical care. Medicare has increased primary care five to ten percent. The Clinton administration has now proposed additional cuts for providers of medical care. To ask the physicians not to pass that on to the patients is unreasonable. It is illegal for a physician to charge a Medicare patient more than 15% over the maximum amount allowed by Medicare. Over the next two years that will decrease to seven or eight percent. Those who can pay, should pay more. **Dr. McMahon** asked the committee not to pass HB 636.

Jim Ahrens, President, Montana Hospital Association, said if the Legislature makes Montana an assignment state, it will be more difficult than it already is, to bring physicians into the state. He asked the committee to oppose HB 636.

Informational Testimony:

None

Questions From Committee Members and Responses:

REP. SIMON asked **Mr. Loendorf** if it was correct to assume that a physician would collect almost 20% less in payment from a Medicare patient than a patient that paid through an insurance policy or out-of-pocket. **Mr. Loendorf** said that is correct.

Closing by Sponsor:

REP. PAVLOVICH closed.

EXECUTIVE ACTION ON HB 636

Motion/Vote: **REP. DOWELL** MOVED HB 636 BE TABLED. Voice vote was taken. Motion CARRIED unanimously.

Vote: HB 636 BE TABLED.

EXECUTIVE ACTION ON HB 623

Motion: REP. GRIMES MOVED HB 623 DO PASS.

Motion: REP. GRIMES MOVED TO AMEND HB 623.

Discussion: REP. GRIMES explained the amendments. EXHIBIT 1.

Vote: REP. SIMON called the question. Voice vote was taken. Motion CARRIED 9 to 5. REPS. SQUIRES, HANSEN, RUSSELL, BARNHART, and STRIZICH voted no.

Motion/Vote: REP. GRIMES MOVED HB 623 DO PASS AS AMENDED. REP. SQUIRES called the question. Voice vote was taken. Motion FAILED 6 to 9. REPS. MOLNAR, SMITH, BERGMAN, GRIMES, BOHLINGER, and CHAIRMAN BOHARSKI voted yes.

Motion/Vote: REP. SQUIRES HB 623 BE TABLED. Voice vote was taken. Motion CARRIED 11 to 4. REPS. GRIMES, SMITH BARNHART, and CHAIRMAN BOHARSKI voted no.

Vote: HB 623 BE TABLED.

EXECUTIVE ACTION ON HB 619

Motion/Vote: REP. HANSEN MOVED HB 619 DO PASS. Voice vote was taken. Motion CARRIED unanimously.

Vote: HB 619 DO PASS.

EXECUTIVE ACTION ON HB 614

Motion: REP. BOHARSKI MOVED HB 614 DO PASS.

Motion: REP. BOHARSKI MOVED TO AMEND HB 614.

Discussion: REP. BOHARSKI explained the amendments.

Vote: REP. SQUIRES called the question. Voice vote was taken. Motion CARRIED unanimously.

Motion: REP. BOHARSKI MOVED HB 614 DO PASS AS AMENDED.

Discussion:

REP. RUSSELL asked REP. BOHARSKI if the grandparents of the pregnant teenager were found to have resources to cover the costs of her pregnancy, is it possible the teenager would not be eligible for Medicaid, and therefore, not receive premium care. REP. BOHARSKI said that is a possibility.

REP. BOHLINGER said 25% of the births in Montana are children

with the State of Montana, it belongs to the father of the child. In the case of most minors, the father is either unemployed or underemployed, and unable to make payments. The provisions of HB 614 provide an opportunity to seek payment from the grandparents, and that's a logical step.

Vote: REP. SQUIRES called the question. Roll call vote was taken. EXHIBIT 3. Motion CARRIED 11 to 5.

Vote: HB 614 DO PASS AS AMENDED.

EXECUTIVE ACTION ON HJR 19

Motion/Vote: REP. BOHARSKI MOVED HJR 19 DO PASS. Voice vote was taken. Motion CARRIED unanimously.

Vote: HJR 19 DO PASS.

ADJOURNMENT

Adjournment: The meeting adjourned at 4:15 p.m.

Wm E Boharski

WILLIAM BOHARSKI, Chair

Alyce Rice

ALYCE RICE, Secretary

WB/ar

HOUSE OF REPRESENTATIVES

HUMAN SERVICES AND AGING

COMMITTEE

ROLL CALL

DATE 2-19-93

NAME	PRESENT	ABSENT	EXCUSED
REP. BILL BOHARSKI, CHAIRMAN	✓		
REP. BRUCE SIMON, VICE CHAIRMAN	✓		
REP. STELLA JEAN HANSEN, V. CHAIR	✓		
REP. BEVERLY BARNHART	✓		
REP. ELLEN BERGMAN	✓		
REP. JOHN BOHLINGER	✓		
REP. TIM DOWELL	✓		
REP. DUANE GRIMES	✓		
REP. BRAD MOLNAR	✓		
REP. TOM NELSON			✓
REP. SHEILA RICE	✓		
REP. ANGELA RUSSELL	✓		
REP. TIM SAYLES			✓
REP. LIZ SMITH	✓		
REP. CAROLYN SQUIRES	✓		
REP. BILL STRIZICH	✓		

HOUSE STANDING COMMITTEE REPORT

February 19, 1993

Page 1 of 2

Mr. Speaker: We, the committee on Human Services and Aging report that House Bill 614 (first reading copy -- white) do pass as amended .

Signed: _____

Wm E Boharski

Bill Boharski, Chair

And, that such amendments read:

1. Title, lines 7 through 9.

Strike: "SUBJECTING" on line 7 through "SUPPORT;" on line 9

2. Title, lines 11 through 14.

Strike: "PROVIDING" on line 11 through "19-21-212," on line 14

Following: "AND" on line 14

Insert: "AMENDING SECTION"

3. Page 1, line 18 through page 10, line 1.

Strike: sections 1 through 12 in their entirety

Renumber: subsequent sections

4. Page 15, line 3 through page 16, line 5.

Strike: section 15 in its entirety

Renumber: subsequent sections

5. Page 16, line 6.

Strike: "Insurance company"

Insert: "Insurer"

6. Page 16, line 13.

Following: "insurance"

Insert: "or a membership certificate"

Committee Vote:

7. Page 16, line 15.

Following: "title"

Insert: "or a health service corporation authorized to issue
membership certificates pursuant to this title"

8. Page 16, line 13.

Strike: "insurance company"

Insert: "insurer"

9. Page 16, line 21.

Strike: "company"

Insert: "insurer"

10. Page 16, line 22.

Strike: "company's"

Insert: "insurer's"

11. Page 17, line 1.

Strike: "insurance company"

Insert: "insurer"

12. Page 17, lines 3 and 6.

Strike: "14"

Insert: "2"

13. Page 17, lines 6 through 9.

Strike: subsection (2) in its entirety

ReNUMBER: subsequent subsection

14. Page 17, lines 10 and 12.

Strike: "16"

Insert: "3"

-END-

HOUSE STANDING COMMITTEE REPORT

February 19, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Human Services and Aging
report that House Bill 619 (first reading copy -- white) do
pass .

Wm E Boharski

Signed: _____
Bill Boharski, Chair

HOUSE STANDING COMMITTEE REPORT

February 19, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Human Services and Aging
report that House Joint Resolution 19 (first reading copy --
white) do pass .

Signed: _____

Wm E Boharski

Bill Boharski, Chair

Amendments to House Bill No. 623
First Reading Copy

Requested by Rep. Grimes
For the Committee on Human Services and Aging

Prepared by David S. Niss
February 19, 1993

1. Page 6, line 21.
Strike: "2"
Insert: "3"

2. Page 7, lines 24 and 25.
Strike: "next month"
Insert: "second and third months"

3. Page 10, line 24.
Strike: "60"
Insert: "90"

4. Page 11, lines 3 through 23.
Strike: section 4 in its entirety
Insert: "NEW SECTION. Section 4. Presumptions and rules as to
residency. (1) A person is considered a resident of
Montana for the purposes of 53-3-201 if:

(a) the person has lived in Montana for less than 3
months continuously and has the intent to make Montana that
person's home; or

(b) the person has lived in Montana for less than 3
months continuously but previously lived in Montana for at least
3 months continuously and returned to Montana after being absent
for less than 3 months, provided that the person has a fixed
intent to return to Montana when leaving the state and now has
the intent to make Montana that person's home.

(2) In determining whether a person has the intent to
make Montana that person's home, the following criteria may be
considered but are not necessarily conclusive:

(a) the person files Montana state income tax returns
if required to file;

(b) the person licenses and titles in Montana, as
required by law, any vehicles that the person owns and operates
in Montana;

(c) the person does not use resident hunting, fishing,
or trapping privileges in another state or country;

(d) the person does not attend any college or
university or other educational institution as a resident of
another state; and

(e) the person, if registered to vote, is currently

registered only in Montana."

5. Page 12.

Following: line 2

Insert: "NEW SECTION. Section 6. {standard} Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications."

Amendments to House Bill No. 614
First Reading Copy

Requested by Rep. Boharski
For the Committee on Human Services and Aging

Prepared by David S. Niss
February 18, 1993

1. Title, lines 7 through 9.
Strike: "SUBJECTING" on line 7 through "SUPPORT;" on line 9
2. Title, lines 11 through 14.
Strike: "PROVIDING" on line 11 through "19-21-212," on line 14
Following: "AND" on line 14
Insert: "AMENDING SECTION"
3. Page 1, line 18 through page 10, line 1.
Strike: sections 1 through 12 in their entirety

Renumber: subsequent sections
4. Page 15, line 3 through page 16, line 5.
Strike: section 15 in its entirety

Renumber: subsequent sections
5. Page 16, line 6,
Strike: "Insurance company"
Insert: "Insurer"
6. Page 16, line 13.
Following: "insurance"
Insert: "or a membership certificate"
7. Page 16, line 15.
Following: "title"
Insert: "or a health service corporation authorized to issue
membership certificates pursuant to this title"
8. Page 16, line 18.
Strike: "insurance company"
Insert: "insurer"
9. Page 16, line 21.

Strike: "company"
Insert: "insurer"

10. Page 16, line 22.
Strike: "company's"
Insert: "insurer's"

11. Page 17, line 1.
Strike: "insurance company"
Insert: "insurer"

12. Page 17, lines 3 and 6.
Strike: "14"
Insert: "2"

13. Page 17, lines 6 through 9.
Strike: subsection (2) in its entirety

Renumber: subsequent subsection

14. Page 17, lines 10 and 12.
Strike: "16"
Insert: "3"

Reveal Codes F11	Block F12
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EXHIBIT 2
DATE 2-19-93
HB 614

HOUSE OF REPRESENTATIVES
HUMAN SERVICES AND AGING COMMITTEE

ROLL CALL VOTE

DATE 2-19-93 BILL NO. HB 614 NUMBER _____

MOTION: DO PASS AS AMENDED

NAME	AYE	NO
REP. BRUCE SIMON, VICE CHAIRMAN	✓	
REP STELLA JEAN HANSEN, VICE CHAIRMAN		✓
REP. BEVERLY BARNHART	✓	
REP. ELLEN BERGMAN	✓	
REP. JOHN BOHLINGER	✓	
REP. TIM DOWELL	✓	
REP. DUANE GRIMES	✓	
REP. BRAD MOLNAR		✓
REP TOM NELSON	✓	
REP. SHEILA RICE	✓	
REP. ANGELA RUSSELL		✓
REP TIM SAYLES	✓	
REP LIZ SMITH	✓	
REP. CAROLYN SQUIRES		✓
REP. BILL STRIZICH		✓
REP. BILL BOHARSKI, CHAIRMAN	✓	